



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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July 8, 1997
AO-97-12

Leonard P. Flynn
679 Main Street
Shrewsbury, MA 01545

Re: Proceeds of a winning raffle ticket

Dear Mr. Flynn:

This letter is in response to your June 6, 1997 request for an advisory opinion regarding the Committee to Elect Leonard P. Flynn ("the Committee's") use of proceeds received from a winning raffle ticket purchased by the Committee.

Question

May the committee keep the winnings received from a raffle ticket purchased by the Committee?

Answer

No. The Committee should return the check to the organization which sponsored the raffle.

Facts

You have stated that the Committee made a charitable donation to The Michael G. Ratte Memorial Scholarship Fund. The donation was made by purchasing a number of raffle tickets. One of the tickets purchased was a winning ticket. As a result, the Committee has received a check in the amount of \$1,000 from "Christ the King Parish Men's Club," the sponsors of the Scholarship Fund. The Committee has not deposited the check, but would like to do so.

Discussion

Political committees such as yours may make expenditures "for the enhancement of the political future of the candidate . . . for which the committee was organized so long as such expenditure is not primarily for the candidate's or any other person's personal use. . ." See M.G.L. c. 55, s. 6. Neither chapter 55 nor the regulations issued by this office specifically allow

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expenditures to purchase raffle tickets. Candidates and political committees may, however, purchase raffle tickets from charitable organizations if the purchase enhances the political future of the candidate and if the intent in making the purchase is to contribute to the charity rather than to keep possible proceeds. See 970 CMR 2.06(3)(a).

One could argue that proceeds from a raffle ticket are earnings from an investment. The statute does not, however, authorize the receipt of raffle proceeds. M.G.L. c. 55, s. 6 provides that political committees may invest funds in a "savings account or money market to earn interest thereon but may not invest its funds or other things of value in any other manner," (emphasis added). See also 970 CMR 2.07(7) (listing investments which may be made with campaign funds) and IB-88-02 (providing guidelines regarding the lease of property by candidates or committees).

The campaign finance law is "comprehensive legislation" regulating campaign fundraising activity in Massachusetts. If a method of raising funds is not apparent or implied in the statute, the method is generally not allowable. See Anderson v. the City of Boston, 376 Mass. 178, 186 (1978) and M.G.L. c. 55, s. 7, which specifies that no "person or combination of persons. . . shall in connection with any nomination or election receive money or its equivalent, . . . except as authorized by this chapter." Sections 7 and 7A also establish specific "contribution" amounts that committees may receive from individuals, organizations and other political committees. M.G.L. c. 55, s. 1 defines "contribution" as the providing of money or something else of value "for the purpose of influencing the nomination or election" of a candidate. Raffle proceeds are not given to a political committee to influence the nomination or election of a candidate but for contractual reasons. Therefore, such proceeds are not contributions as defined in section one and the statute does not contemplate receipt and use of such funds by committees.

I can understand the Committee's desire to accept and deposit the ticket proceeds. Neither the statute nor the regulations, however, suggest that political committees may purchase raffle tickets to raise funds or accept the proceeds of a winning ticket. See also 970 CMR 1.04(8) which requires the return of illegal contributions to the contributor.

This opinion is issued on the basis of your letter and solely within the context of the campaign finance law. The receipt of proceeds from a winning raffle ticket may raise tax issues and you may wish to contact the Internal Revenue Service or the Department of Revenue for further guidance.

I encourage you to contact us in the future if you have further questions regarding the campaign finance law.

Sincerely,



Michael J. Sullivan
Director